

Message Text

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INFO OCT-01 NEA-06 ISO-00 EB-08 COME-00 FRB-03 OMB-01
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APPROVED BY NEA/IRN:HPRECHT
TREAS/ID:ANACHMANOFF
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NEA/IRN:MJOHNSON
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FM SECSTATE WASHDC
TO AMEMBASSY TEHRAN IMMEDIATE

C O N F I D E N T I A L STATE 025573

E.O. 12065 GDS 1/30/85 (JOHNSON, MARK)

TAGS: EFIN, IR

SUBJECT: TREASURY AND FEDERAL RESERVE POLICY ON IRANIAN
ACCOUNTS

REF: TEHRAN 1521

1. THE FEDERAL RESERVE HAS NO AUTHORITY TO INITIATE BLOCK-
AGE OF ANY COMMERCIAL BANKING OR FEDERAL RESERVE ACCOUNTS.
ONLY IF THE PRESIDENT DECLARED A NATIONAL EMERGENCY RELATING
TO IRAN COULD THE TREASURY SECRETARY BLOCK IRANIAN ACCOUNTS,
AND THERE IS NO RPT NO PLAN TO ISSUE SUCH A DECLARATION.

2. THERE MAY BE SOME CONFUSION BECAUSE THE FEDERAL RESERVE
BANK EXAMINERS INITIATED AN INFORMAL SURVEY ON JANUARY 26
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AMONG SOME MEMBER BANKS TO DETERMINE LEVELS OF EXPOSURE IN
IRAN IN ORDER TO EVALUATE IMPACT ON INDIVIDUAL BANKS OF
POSSIBLE DELAYS IN PAYMENT. NEW YORK FED IS INFORMING
BANKS INCLUDED IN SURVEY THAT THE QUESTIONS ARE NOT POSED
WITH THE THOUGHT OF LATER BLOCKING ACCOUNTS BUT SIMPLY TO
ASCERTAIN THE NATURE OF EXPOSURE IN THE EVENT OF LONG DELAYS
IN PAYMENTS.

3. ANOTHER POSSIBLE SOURCE OF CONFUSION MAY RESULT FROM ATTEMPTED ATTACHMENT BY A PRIVATE PARTY OF AN ACCOUNT WITH CHASE WHICH IS HELD IN NAME OF "IRANIANS' BANK" RPT "IRANIANS' BANK." AS THE EMBASSY IS AWARE, THE USG HAS NO CONTROL OVER SUCH ACTIONS BY PRIVATE PARTIES.

4. NY FED PRESIDENT VOLCKER HAS CALLED FINANCE MINISTER PIRASTEH TO CONVEY THE ABOVE. HE ADDED THAT IT IS IMPORTANT FOR THE IRANIANS TO MAINTAIN CLEAR AUTHORITY FOR ACTIONS BY THE CENTRAL BANK IN ORDER TO FACILITATE TRANS-ACTIONS AND MAINTAIN CONFIDENCE THAT THE IRANIAN FINANCIAL SYSTEM REMAINS OPEN.

5. EMBASSY SHOULD REPEAT THE ABOVE TO MINISTER PIRASTEH AT THE EARLIEST OPPORTUNITY.

6. NEITHER WASHINGTON AGENCIES NOR THE FED ARE PLANNING A PRESS RELEASE BECAUSE IT WOULD PROBABLY STIR ADDITIONAL CONCERN HERE. A Q AND A HAS BEEN PREPARED AND WILL BE CABLED SEPTEL. VANCE

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